Telephony

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TO BOLDLY GO WHERE NO PRODUCT HAS GONE BEFORE

Transforming billing systems into customer contact systems can speed up new service introductions

AND THEN THERE WAS ONE

CWA strike against Nynex continues; Ameritech and Bell Atlantic settle

US SPRINT PLANS NATIONWIDE ISDN

IXC slates startup for early 1990

MONDAY, SEPTEMBER 4, 1989 Volume 217, No. 10

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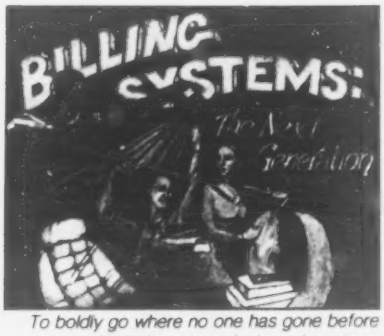
INTEGRATING VOICE & DATA COMMUNICATIONS



To boldly go where no one has gone before with their new products and services, companies first must transform and re-energize their current billing systems into customer contact systems.
Cover art by Laura M. Doyle

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In My Opinion

I'm not laughing anymore

For years, I've had a good time laughing at the cable television industry. In editorials and speeches, I would regularly question the intelligence of cable executives who seemed to spend their time trying to buy up all of the worst movies Hollywood ever produced. Sure, some of the shots were on the inexpensive side. But they were such easy targets it was hard to resist.

After all, these were high-powered business executives who didn't seem to understand that they had constructed and were running a communications network. These folks spent all their time and effort trying to sell *Leave It To Beaver* and *I Love Lucy* reruns.

These company managers were so short-sighted that some of them would even let their arch-enemy—the telephone companies—build and operate the cable systems for them so they could spend their energies coming up with creative programming like home shopping.

I would usually end my cable bashing with a snide crack about not taking the industry seriously until it created a counterpart to Bell Labs or Bellcore and began to explore and develop its network capabilities. As I said, they were easy targets to laugh at. But it's a lot harder to laugh at the cable folks these days.

By concentrating on pumping as much programming as possible down its coaxial pipe, the industry has created a product that America wants—and is willing to pay big bucks to get. I am a subscriber.

Through smart lobbying in Washington and generous campaign contributions, CATV succeeded in becoming the nation's only unregulated monopoly. And by jacking up rates and ignoring the resulting bad publicity, cable operators have boosted their profits and stock prices to levels telco executives couldn't imagine in their wildest dreams.

None of these developments has had much of an impact on the telecommunications industry, except that cable TV companies have replaced telcos as the monopolies that America most loves to complain about. And it has provided a convenient bad guy as telcos push to get into the video business.

But there is another development that merits some attention and, perhaps, some concern by the telecom industry. It seems the cable industry has finally discovered research and development.

CableLabs is an R&D operation funded by a consortium of cable system operators that represents more than 80% of the U.S. cable subscribers. Started last year in Boulder, Colo., CableLabs has a charter to study, analyze and develop new products and services for the cable industry. CableLabs has a staff of about a dozen. Funding for CableLabs comes from a 2¢ per month per subscriber assessment on cable operators, which produces an annual budget of about $9 million. So don't look for CableLabs to expand the frontiers of basic research, invent a new technology or win a Nobel Prize in the near future.

But that is not its job. Its purpose is to help its owners get more milk from their cash cows. But its mere existence shows that the new monopolists are beginning to suspect they might be in the high-technology communications business. And that is something the telecom industry should take seriously.

So, I'm not laughing at the cable industry anymore. CableLabs has convinced me that cable TV is an industry that should be taken seriously.

Then again, maybe the real purpose of CableLabs is to develop a 24-hour Music Wrestling Fashion Business Travel Comedy Shopping News Channel for left-handed teenagers that costs $25 a month.

Paul Travis

Telephony

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●INTERTEC

And then there was one: CWA, two more RHCs settle

Dawn Bushaus, Assistant Editor

Life at most of the Bell regional holding companies is returning to normal since the Communications Workers of America ended their strikes at Ameritech and Bell Atlantic last week.

At Nynex, some progress was made as formal negotiations were held again for the first time since the strike began there Aug. 6. Other RHCs have reached tentative agreements with their unions.

While most CWA employees returned to their jobs at Bell Atlantic, about 9000 members of the International Brotherhood of Electrical Workers continued to strike at New Jersey Bell. The telco's 5400 CWA employees refused to cross IBEW picket lines.

Illinois Bell, Michigan Bell, Indiana Bell, Ohio Bell, Wisconsin Bell and Ameritech services all reached tentative settlements with the CWA, but as of press time, only Ohio Bell, Wisconsin Bell and Ameritech Services had released terms of the agreements.

The other BOCs said they were waiting to inform employees before announcing the details.

If union members at Ohio Bell ratify the proposed contract, workers will receive a 2% basic wage increase during the first year and a 3% ratification bonus, which will not be added to the base. During the second year, CWA employees will get a 2.5% increase and during the third, a 3% increase.

Team incentive awards of between 1.5% and 3% in 1990 and between 2% and 4% in 1991 were also part of the pact, as were some job classification upgrades.

Family care provisions similar to the ones agreed upon at other RHCs, such as a one-year leave to care for an infant or ill family member and reimbursement for adoption costs, were negotiated.

In Wisconsin, the telco and CWA tentatively agreed on a 10% wage increase, 2.5% of which is a signing bonus. In addition, there is a potential for another 1.5% increase in the base wage, based on the company's performance.

The agreement also provides for a bonus award of up to two weeks salary based on the service and financial performance of the company.

Under the Wisconsin health care plan, which was already a preferred provider plan, CWA employees will receive some increases in vision and dental benefits, and a new early disease detection benefit will be introduced.

A family care package allowing an employee to take a leave of up to 12 months to care for a newborn or adopted child or an ill family member was also

CONTRACT SCOREBOARD

Company	Number of employees CWA	Number of employees IBEW	Status	Tentative settlement terms
BELL ATLANTIC	41,000	11,000	settled	7.5% wage increase
Bell of Pennsylvania		2000	settled	7.5% wage increase
New Jersey Bell		9000	on strike	
BELLSOUTH	64,000		settled	8%-11% wage increase
PACIFIC TELESIS	42,400		settled	9.4% wage increase
Pac Bell Directories		1600	settled	details not available
NYNEX	40,000	20,000	on strike	
AMERITECH	35,100	13,600		
Illinois Bell	3000		settled	(CWA) not available
		13,000	settled	(IBEW ratified) 9% wage increase includes $1000 bonus
Indiana Bell	4300		settled	details not available
		400	settled	(IBEW ratified) 9.75% wage increase 2.5% of which is a ratification bonus
Wisconsin Bell	4000		settled	details not available
Ohio Bell	10,200		settled	10.5% wage increase 3% of which is a ratification bonus
Michigan Bell	13,000		settled	details not available
Ameritech Services	600		settled	9% wage increase 2% of which is a ratification bonus
		200	settled	(IBEW) 10% wage increase includes $1000 bonus
U S WEST	41,000		settled	10% wage increase includes $600 bonus
SOUTHWESTERN BELL	45,000		settled	10% wage increase includes $1000 bonus

tentatively agreed to at Wisconsin Bell.

At Ameritech Services, CWA employees are slated to receive a 2% base wage increase during the first year and a 2% ratification bonus not included in the base. Workers can expect a 2.5% increase in the second and third years.

Health care benefits at Ameritech Services will include chiropractic care if the new contract is ratified, and an increase of 10% for vision care. Dental benefits will increase by 20% and the $50 lifetime deductible will be eliminated.

Ameritech Services and the CWA also tentatively agreed to a family care plan, and CWA workers at all three companies will be able to participate in prepaid job training programs that provide employees the opportunity to further their training and education.

In its agreement with the IBEW, which was ratified in July, Illinois Bell provided a similar job training program under which tuition is prepaid.

The agreements with the remaining Ameritech BOCs are expected to resemble the settlements that have already been reached at other companies.

Meanwhile, negotiations resumed in the middle of last week between Nynex and the CWA. The contract dispute between the two parties has turned into the most bitter of the phone strikes that hit the nation at the beginning of August.

A Nynex spokesman declined to comment on the climate of the talks.

A spokesman for New York Telephone said vandalism has been a problem since the strike began. The telco has recorded about 200 incidents of vandalism, primarily severed cables, which has caused disruption in service to about 40,000 customers.

Separately, the CWA also reached an agreement with Northern Telecom Inc. where 600 workers had been striking since July 20. The union voted last week to ratify the contract, which calls for a 10% wage increase over three years. T

Sprint announces 1990 ISDN debut

Dawn Bushaus
Assistant Editor

Claiming a first, US Sprint announced last week that it will roll out ISDN service nationwide during the first quarter of 1990.

Through the use of signaling system 7, which Sprint has fully deployed, the company will make ISDN primary rate interface (23B+D) available from all of its 268 points of presence to customer premises equipment via direct access. The service will be rolled out as customers demand it.

According to Tom Carroll, group manager of Sprint's Enabling Technologies Division, six to 12 large customers have requested the service for the first quarter of 1990.

ISDN customers will be able to access Sprint's Ultra 800, Ultra WATS, VPN virtual private network, Switched 56, Switched 64 and Telenet network services using the PRI.

Sprint has been testing ISDN with about 30 vendors at its Burlingame, Calif., ISDN laboratory for the past year, said Terry Kero, director of network systems planning for Sprint. Kero also serves as director of the ISDN lab.

During the past two weeks, Sprint has invited about 100 customers to tour the facility where it is demonstrating ISDN capabilities including clear-channel, coast-to-coast voice, data and video.

"We are following [CCITT] standards in the Sprint network," Kero said. "Our concern is how the vendors are implementing the standards," but since the standards allow for some flexibility, vendors do not always implement them in the same way. The purpose of the lab is to identify and correct the differences, he said.

Sprint is testing the compatibility of its ISDN features with major PBXs including AT&T's System 85, Northern Telecom's SL-1 and SL-100, Fujitsu's Focus 9600 and Siemens' Saturn 2. In addition, the carrier is negotiating with NEC America and Rolm to test versions of their PBXs.

Sprint customers who want ISDN realize they may have to modify or upgrade their PBXs to accommodate the D channel, Carroll said. Therefore, the company is not overly concerned that the demand for ISDN will force hasty deployment.

"We intend to release ISDN in a controlled fashion," Carroll said.

And for customers who cannot afford to upgrade or replace their PBXs, Sprint is testing a Teleos integrated access module that will allow ISDN interfacing at a lower cost.

"Sprint is looking at the whole market," Carroll said.

Sprint is still in the process of determining the prices for its new service offerings, but Carroll said cost will be divided into three charges—an installation charge, a monthly charge and a usage charge.

"We will be pretty much on par with AT&T as far as the installation and

continued on page 10

A Hong Kong first

Workers help install Hong Kong's first underwater fiber optic cable, which stretches between the Stanley peninsula and Cape D'Aguilar on the southeastern tip of Hong Kong Island. Construction of the 4.5-km cable, which has 24 fibers that can each handle speeds of up to 565 Mb/s, was completed last month.

monthly charges are concerned," he said. The usage charge will be set about 15% lower than AT&T's, he added. AT&T deployed primary rate ISDN in 18 U.S. cities last year.

The average customer will probably pay about $400 a month to use the D channel, Carroll said. Prices for voice channel usage, VPN or WATS service will not change. T

BellSouth unveils net management

Paul Travis, Executive News Editor

BellSouth took a major step toward giving customers greater control in managing their complex communications networks when it introduced a new network management service last week.

The new service is the first step in developing an overall Customer Network Management architecture for South Central Bell and Southern Bell, the company said. The service, called CNM-Administrative Management Service, allows customers using personal computers to obtain personal billing information, order services, report trouble and access individual network management services. Customers also can use the service to send electronic messages to telcos.

The service also will allow enhanced service providers to electronically access network operational support systems under BellSouth's open network architecture plans.

BellSouth said CNM-AMS is the first such product to be generally offered by a Bell company. It was developed by BellSouth Information Systems and BellSouth Services and demonstrated last week at the annual meeting of the Southeastern Telecommunications Association in Nashville, Tenn.

The service was developed because customers wanted greater flexibility in managing their network, according to Ken Schinert, product manager, customer network management, BellSouth Services.

"It is our intent to add value to the services we provide our customers by giving them more control. We do not look at this as the only service we plan to offer. We will be developing other things based on what the customers desire. We hope to further integrate all of our network management products on a common platform, using either text or graphical interfaces," he said.

Customers can access the menu-driven service via dial-up lines at 1200 b/s or through private lines at 9600 b/s. Customers can use the service as a gateway to other network management services, including the ESSX Customer Administration Service and Digital ESSX CAS, which allow customers to rearrange their ESSX service, and the FlexServ service, which allows customers to manage and rearrange their dedicated voice and data networks.

The service will be offered on a region-wide basis, allowing customers with offices in several locations to manage their networks from a central point. A customer can place an order in Atlanta for new service in Miami, for example. InterLATA traffic will be carried on BellSouth's inter-

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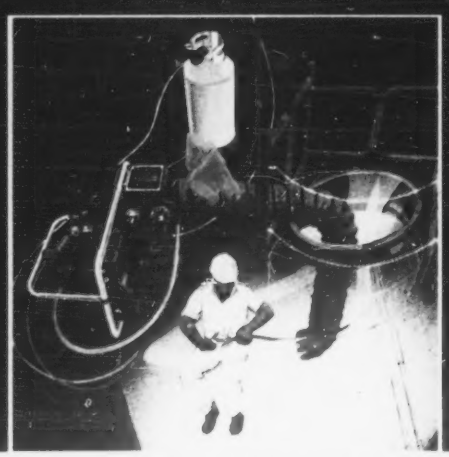

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